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**Interim condensed consolidated financial information and
Tamdeen Real Estate Company – KSC (Closed)
and its Subsidiaries**

Kuwait

30 June 2012 (Unaudited)

Interim condensed consolidated financial information and review report

Tamdeen Real Estate Company – KSC (Closed)

and its Subsidiaries

Kuwait

30 June 2012 (Unaudited)

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Report on review of interim condensed consolidated financial information

To the board of directors of
Tamdeen Real Estate Company – KSC (Closed)
Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Tamdeen Real Estate Company (A Kuwaiti Closed Shareholding Company) and its Subsidiaries as of 30 June 2012 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

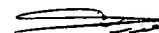
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Company. We further report that, to the best of our knowledge and belief, no violations of the Commercial Companies Law of 1960, or of the articles of association of the Company, as amended, have occurred during the six-month period ended 30 June 2012 that might have had a material effect on the business or financial position of the Company.



Abdullatif M. Al-Aiban (CPA)
(Licence No. 94-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners



Fawzia Mubarak Al-Hassawi
(Licence No. 80-A)
of UHY-Fawzia Mubarak Al-Hassawi

Kuwait
14 August 2012

Interim condensed consolidated statement of income

| | Notes | Three months ended | | Six months ended | |
|--|-------|--|--|--|--|
| | | 30 June 2012 (Unaudited) KD'000 | 30 June 2011 (Unaudited) KD'000 | 30 June 2012 (Unaudited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
| Income | | | | | |
| Operational income | | 2,470 | 2,474 | 4,716 | 4,866 |
| Operational expenses | | (1,725) | (1,162) | (2,466) | (1,947) |
| Net operational income | | 745 | 1,312 | 2,250 | 2,919 |
| Other operational income | | 179 | 393 | 334 | 615 |
| Fees from management of investment portfolios | | 33 | 4 | 46 | 11 |
| Profit from sale of investments in lands and real estate held for trading | | - | 1,161 | - | 1,453 |
| Net income from investments | 3 | 2,472 | 565 | 5,789 | 3,638 |
| Share of profit in associated companies | 6 | 1,380 | 1,075 | 2,588 | 1,792 |
| Foreign currency exchange gain/(loss) | | 69 | (58) | 70 | (99) |
| Other income | | 296 | 140 | 759 | 428 |
| | | 5,174 | 4,592 | 11,836 | 10,757 |
| Expenses and other charges | | | | | |
| Staff costs | | 453 | 474 | 1,111 | 1,112 |
| General and administrative expenses | | 759 | 668 | 1,632 | 1,472 |
| Finance costs | | 1,465 | 1,753 | 2,845 | 3,581 |
| | | 2,677 | 2,895 | 5,588 | 6,165 |
| Profit for the period before contribution to KFAS, contribution to Zakat and provision for NLST | | | | | |
| Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS) | | - | - | - | - |
| Contribution to Zakat | | - | (3) | - | (4) |
| Provision for National Labour Support Tax (NLST) | | (9) | (30) | (25) | (47) |
| Profit for the period | | 2,488 | 1,664 | 6,223 | 4,541 |
| Attributable to : | | | | | |
| Owners of the parent company | | 1,342 | 1,375 | 3,559 | 3,094 |
| Non-controlling interests | | 1,146 | 289 | 2,664 | 1,447 |
| | | 2,488 | 1,664 | 6,223 | 4,541 |
| EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY | | | | | |
| | 4 | 3.6 Fils | 3.7 Fils | 9.6 Fils | 8.3 Fils |

The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.


Interim condensed consolidated statement of comprehensive income

| | Three months ended | | Six months ended | |
|--|--|--|--|--|
| | 30 June 2012 (Unaudited) KD'000 | 30 June 2011 (Unaudited) KD'000 | 30 June 2012 (Unaudited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
| Profit for the period | 2,488 | 1,664 | 6,223 | 4,541 |
| Other comprehensive income: | | | | |
| Exchange differences arising on translation of foreign operations | 67 | (240) | 279 | (292) |
| Available for sale investments: | | | | |
| - Net change in fair value during the period | 132 | 1,731 | (3,108) | 325 |
| - Transferred to interim condensed consolidated statement of income on impairment in value | - | 573 | 203 | 602 |
| - Transferred to interim condensed consolidated statement of income on sale | (2,072) | (2,240) | (2,072) | (2,298) |
| Total other comprehensive loss | (1,873) | (176) | (4,698) | (1,663) |
| Total comprehensive income for the period | 615 | 1,488 | 1,525 | 2,878 |
| Attributable to: | | | | |
| Owners of the parent company | (531) | 1,199 | (1,139) | 1,431 |
| Non-controlling interests | 1,146 | 289 | 2,664 | 1,447 |
| | 615 | 1,488 | 1,525 | 2,878 |

The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

| | Notes | 30 June 2012 (Unaudited) KD'000 | 31 Dec. 2011 (Audited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
|--|-------|--|--|--|
| Assets | | | | |
| Non-current assets | | | | |
| Available for sale investments | 5 | 91,650 | 97,358 | 99,693 |
| Investments in associated companies | 6 | 76,834 | 71,064 | 76,691 |
| Investment properties | 7 | 49,750 | 49,750 | 48,725 |
| Projects in progress | 8 | 5,849 | 4,421 | 4,456 |
| Property, plant and equipment | | 1,818 | 1,982 | 2,020 |
| | | 225,901 | 224,575 | 231,585 |
| Current assets | | | | |
| Cash and bank balances | | 3,989 | 2,741 | 4,299 |
| Short-term deposits | | 3,646 | 5,313 | 5,647 |
| Investments at fair value through profit or loss | | 693 | 757 | 806 |
| Accounts receivable and other debit balances | 9 | 19,366 | 21,317 | 23,025 |
| Investments in lands and real estate held for trading | | 15,987 | 15,987 | 16,846 |
| | | 43,681 | 46,115 | 50,623 |
| Total assets | | 269,582 | 270,690 | 282,208 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Share capital | | 37,312 | 37,312 | 37,312 |
| Share premium | | 11,132 | 11,132 | 11,132 |
| Treasury shares | | (645) | (645) | (645) |
| Reserve of profit on sale of treasury shares | | 739 | 739 | 739 |
| Legal reserve | | 8,045 | 8,045 | 7,649 |
| Voluntary reserve | | 9,443 | 9,443 | 9,047 |
| Foreign currency translation reserve | | 279 | - | (199) |
| Retained earnings | | 13,673 | 13,080 | 13,142 |
| Cumulative changes in fair value | | 15,535 | 20,512 | 24,018 |
| Equity attributable to the owners of the parent company | | 95,513 | 99,618 | 102,195 |
| Non-controlling interests | | 44,374 | 46,953 | 49,564 |
| Total equity | | 139,887 | 146,571 | 151,759 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Term loans | 10 | 60,500 | 60,500 | 50,500 |
| Refundable rental deposits | | 1,145 | 1,144 | 1,145 |
| Provision for end of service indemnity | | 618 | 559 | 493 |
| | | 62,263 | 62,203 | 52,138 |
| Current liabilities | | | | |
| Bank facilities | 11 | 7,849 | 1,811 | 12,674 |
| Accounts payable and other credit balances | 12 | 14,583 | 10,105 | 10,637 |
| Current portion of term loans | 10 | 45,000 | 50,000 | 55,000 |
| | | 67,432 | 61,916 | 78,311 |
| Total liabilities | | 129,695 | 124,119 | 130,449 |
| Total equity and liabilities | | 269,582 | 270,690 | 282,208 |


Mohammed Jassim Al Marzouq
Chairman and CEO

Ali Yacoub Ghafil Aryan
Vice-Chairman

The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

| | Equity attributable to the owners of the parent company | | | | | | | | | | Total KD'000 | |
|---|---|----------------------------|------------------------------|---|----------------------------|--------------------------------|---|--------------------------------|--|-------------------------|-----------------|--|
| | Share capital KD'000 | Share premium KD'000 | Treasury shares KD'000 | Reserve of profit on sale of treasury shares KD'000 | Legal reserve KD'000 | Voluntary reserve KD'000 | Foreign currency translation reserve KD'000 | Retained earnings KD'000 | Cumulative changes in fair value KD'000 | Sub- total KD'000 | | Non- controlling interests KD'000 |
| Balance as at 1 January 2012 | 37,312 | 11,132 | (645) | 739 | 8,045 | 9,443 | - | 13,080 | 20,512 | 99,618 | 46,953 | 146,571 |
| Change in non-controlling interests | - | - | - | - | - | - | - | - | - | - | (5,243) | (5,243) |
| Cash dividends (Note 15) | - | - | - | - | - | - | - | (2,966) | - | (2,966) | - | (2,966) |
| Transactions with the owners | - | - | - | - | - | - | - | (2,966) | - | (2,966) | (5,243) | (8,209) |
| Profit for the period | - | - | - | - | - | - | - | 3,559 | - | 3,559 | 2,664 | 6,223 |
| Other comprehensive income: | | | | | | | | | | | | |
| Exchange differences arising on translation of foreign operations | - | - | - | - | - | - | 279 | - | - | 279 | - | 279 |
| Available for sale investments: | | | | | | | | | | | | |
| - Net change in fair value during the period | - | - | - | - | - | - | - | - | (3,108) | (3,108) | - | (3,108) |
| - Transferred to interim condensed consolidated statement of income on impairment in value | - | - | - | - | - | - | - | - | 203 | 203 | - | 203 |
| - Transferred to interim condensed consolidated statement of income on sale | - | - | - | - | - | - | - | - | (2,072) | (2,072) | - | (2,072) |
| Total comprehensive income/(loss) for the period | - | - | - | - | - | 279 | 279 | 3,559 | (4,977) | (1,139) | 2,664 | 1,525 |
| Balance as at 30 June 2012 | 37,312 | 11,132 | (645) | 739 | 8,045 | 9,443 | 279 | 13,673 | 15,535 | 95,513 | 44,374 | 139,887 |

Interim condensed consolidated statement of changes in equity (Unaudited) (continued)

| | Equity attributable to the owners of the parent company | | | | | | | | | | Total KD'000 | |
|---|---|----------------------------|------------------------------|---|----------------------------|--------------------------------|---|--------------------------------|--|-------------------------|-----------------|--|
| | Share capital KD'000 | Share premium KD'000 | Treasury shares KD'000 | Reserve of profit on sale of treasury shares KD'000 | Legal reserve KD'000 | Voluntary reserve KD'000 | Foreign currency translation reserve KD'000 | Retained earnings KD'000 | Cumulative changes in fair value KD'000 | Sub- total KD'000 | | Non- controlling interests KD'000 |
| Balance as at 1 January 2011 | 37,312 | 11,132 | (523) | 739 | 7,649 | 9,047 | 93 | 13,755 | 25,389 | 104,593 | 50,125 | 154,718 |
| Change in non-controlling interests | - | - | - | - | - | - | - | - | - | - | (2,008) | (2,008) |
| Net change in treasury shares | - | - | (122) | - | - | - | - | - | - | (122) | - | (122) |
| Cash dividends (Note 15) | - | - | - | - | - | - | - | (3,707) | - | (3,707) | - | (3,707) |
| Transactions with the owners | - | - | (122) | - | - | - | - | (3,707) | - | (3,829) | (2,008) | (5,837) |
| Profit for the period | - | - | - | - | - | - | - | 3,094 | - | 3,094 | 1,447 | 4,541 |
| Other comprehensive income: | | | | | | | | | | | | |
| Exchange differences arising on translation of foreign operations | - | - | - | - | - | - | (292) | - | - | (292) | - | (292) |
| Available for sale investments: | | | | | | | | | | | | |
| - Net change in fair value during the period | - | - | - | - | - | - | - | - | 325 | 325 | - | 325 |
| - Transferred to interim condensed consolidated statement of income on impairment in value | - | - | - | - | - | - | - | - | 602 | 602 | - | 602 |
| - Transferred to interim condensed consolidated statement of income on sale | - | - | - | - | - | - | - | - | (2,298) | (2,298) | - | (2,298) |
| Total comprehensive (loss)/ income for the period | - | - | - | - | - | - | (292) | 3,094 | (1,371) | 1,431 | 1,447 | 2,878 |
| Balance as at 30 June 2011 | 37,312 | 11,132 | (645) | 739 | 7,649 | 9,047 | (199) | 13,142 | 24,018 | 102,195 | 49,564 | 151,759 |

The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

| | Note | Six months ended 30 June 2012 (Unaudited) KD'000 | Six months ended 30 June 2011 (Unaudited) KD'000 |
|---|------|--|--|
| OPERATING ACTIVITIES | | | |
| Profit for the period attributable to the owners of the parent company | | 3,559 | 3,094 |
| Adjustments: | | | |
| Depreciation | | 152 | 140 |
| Provision for end of service indemnity | | 100 | 81 |
| Profit from sale of investments in lands and real estate held for trading | | - | (1,453) |
| Unrealised loss from investments at fair value through profit or loss | | 64 | 6 |
| Net profit from sale of available for sale investments | | (2,162) | (1,174) |
| Impairment in value of available for sale investments | | 203 | 602 |
| Dividends income | | (3,859) | (3,023) |
| Interest income | | (35) | (49) |
| Share of profit in associated companies | | (2,588) | (1,792) |
| Finance costs | | 2,845 | 3,581 |
| | | (1,721) | 13 |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable and other debit balances | | 1,451 | 11,507 |
| Accounts payable and other credit balances | | 4,478 | 779 |
| Refundable rental deposits | | (1) | (40) |
| End of service indemnity paid | | (41) | (61) |
| Net cash from operating activities | | 4,166 | 12,198 |
| INVESTING ACTIVITIES | | | |
| Net purchase of available for sale investments | | (4,442) | (256) |
| Proceeds from sale of available for sale investments | | 4,378 | 3,620 |
| Purchase of investments in associated companies | | (3,915) | - |
| Proceeds from sale of investments in lands and real estate held for trading | | - | 6,440 |
| Projects in progress | | (1,428) | (435) |
| Property, plant and equipment | | 12 | (424) |
| Dividends income received | | 3,859 | 3,023 |
| Interest income received | | 35 | 49 |
| Net cash (used in)/from investing activities | | (1,501) | 12,017 |
| FINANCING ACTIVITIES | | | |
| Cash dividends | | (2,919) | (3,172) |
| Change in non-controlling interests | | 1,492 | 363 |
| Change in bank facilities | | 6,038 | (2,494) |
| Change in term loans | | (5,000) | (16,500) |
| Change in foreign currency translation reserve | | 279 | (292) |
| Net change in treasury shares | | - | (122) |
| Finance costs paid | | (2,974) | (4,453) |
| Net cash used in financing activities | | (3,084) | (26,670) |
| Net decrease in cash and cash equivalents | | (419) | (2,455) |
| Cash and cash equivalents at beginning of the period | | 8,054 | 12,401 |
| Cash and cash equivalents at end of the period | 13 | 7,635 | 9,946 |

The notes set out on pages 8 to 17 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the parent company

Tamdeen Real Estate Company – KSC (Closed) (the parent company) was incorporated in Kuwait on 16 December 1982 in accordance with the Commercial Companies Law. Its shares are listed on the Kuwait Stock Exchange.

The principal activities of the parent company are represented in the real estate investments inside and outside the State of Kuwait, for the purposes of ownership, resale, leasing and renting. The parent company is also engaged in the development of real estate projects and construction contracts of buildings, managing the properties of others, establishing and managing real estate investment funds, real estate studies and consultancy, and investing in companies with activities similar to its own and in financial portfolios managed by professional companies and authorities.

The address of the parent company's registered office is PO Box 21816, Safat 13079, State of Kuwait.

The interim condensed consolidated financial information for the six-month period ended 30 June 2012 was authorised for issue by the parent company's board of directors on 14 August 2012.

2 Basis of presentation

The interim condensed consolidated financial information of the group has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2011 except for adoption of relevant new standards, amendments to certain standards and interpretations discussed below.

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars which is the functional currency of the parent company.

This interim condensed consolidated financial information does not include all information and disclosures required to prepare the consolidated financial statements in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2011.

Operating results for the six month period ended 30 June 2012 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2012. For further details, refer to the consolidated financial statements of the group and its disclosures for the year ended 31 December 2011.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of presentation (continued)

Adoption of new IASB standards and amendments during the period

The group has adopted the following amended IFRS during the period:

IFRS 7 Financial Instruments: Disclosures- amendment

The amendments to IFRS 7 Financial Instruments: Disclosures resulted as a part of comprehensive review of off financial position activities. The amendments allows users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The standard also required additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The adoption of these amendments is not expected to have any significant impact on the financial position or performance of the group.

IASB standards issued but not yet effective

At the date of authorisation of this interim condensed consolidated financial information, certain new standards, amendments and interpretations have been published by the IASB but are not yet effective, and have not been adopted early by the group.

Management anticipates that all of the relevant amendments will be adopted in the group's accounting policies for the first period beginning at or after the effective date of the new standard, amendment or interpretation that is expected to be relevant to the group's consolidated financial statements and as provided below, and there are also some interpretations and standards that have been issued but are not expected to have a material effect on the group's consolidated financial statements.

| <i>Standard or Interpretation</i> | <i>Effective for annual periods beginning</i> |
|--|---|
| IAS 1 Presentation of Financial Statements – amendment | 1 July 2012 |
| IAS 27 Consolidated and Separate Financial Statements - Revised as IAS 27 Separate Financial Statements | 1 January 2013 |
| IAS 28 Investments in Associates - Revised as IAS 28 Investments – Associates and Joint Ventures | 1 January 2013 |
| IFRS 9 Financial Instruments: Classification and Measurement | 1 January 2015 |
| IFRS 10 Consolidated Financial Statements | 1 January 2013 |
| IFRS 12 Disclosure of Interest in Other Entities | 1 January 2013 |
| IFRS 13 Fair Value Measurement | 1 January 2013 |

IAS 1 Presentation of Financial Statements

The amendment to IAS 1 requires entities to group other comprehensive income items presented in the consolidated statement of comprehensive income based on those:

- a) Potentially reclassifiable to consolidated statement of income in a subsequent period, and
- b) That will not be reclassified to consolidated statement of income subsequently.

The group will change the current presentation of the consolidated statement of comprehensive income when the amendment becomes effective.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of presentation (continued)

IASB standards issued but not yet effective (continued)

IAS 27 Consolidated and Separate Financial statements – Revised as IAS 27 Separate Financial Statements
As a result of the consequential amendments, IAS 27 now deals with separate financial statements.

IAS 28 Investments in Associates – Revised as IAS 28 Investments in Associates and Joint Ventures
As a result of the consequential amendments, IAS 28 brings investments in joint ventures into its scope. However, the equity accounting methodology under IAS 28 remains unchanged.

IFRS 9 Financial Instruments

The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety with the replacement standard to be effective for annual periods beginning 1 January 2015. IFRS 9 is the first part of Phase 1 of this project. The main phases are:

- Phase 1: Classification and Measurement
- Phase 2: Impairment methodology
- Phase 3: Hedge accounting

In addition, a separate project is dealing with derecognition.

Although earlier application of this standard is permitted, the Technical Committee of the Ministry of Commerce and Industry of Kuwait decided on 30 December 2009, to postpone this early application till further notice, due to the non-completion of the remaining stages of the standard.

IFRS 10 Consolidated Financial Statements

IFRS 10 supersedes IAS 27 Consolidated and Separate Financial Statements. It revised the definition of control together with accompanying guidance to identify an interest in subsidiary. However, the requirements and procedures of consolidation and the accounting for any non-controlling interests and changes in control remain the same.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 is designed to complement the other new standards. It sets out consistent disclosure requirements for subsidiaries, joint ventures and associates, as well as unconsolidated structured entities. The disclosure requirements are extensive and will result in significant amounts of new disclosures for some companies. Structured entities were previously referred to in SIC 12 as special purpose entities. The disclosures required by IFRS 12 aim to provide transparency about the risks a company is exposed to through its interests in other entities.

IFRS 13 Fair Value Measurement

IFRS 13 does not affect which items to be fair valued, but clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. The adoption of this standard is not expected to have a significant impact on the financial position and performance of the group.

Basis of consolidation

The interim condensed consolidated financial information includes the financial information of the parent company and its subsidiaries for the six months period ended 30 June 2012. All material balances and transactions between the parent company and its subsidiaries are eliminated upon consolidation.

Notes to the interim condensed consolidated financial information (continued)

2 Basis of presentation (continued)

Basis of consolidation (continued)

The list of the consolidated subsidiary companies of the parent company is as follows:

| Name of the subsidiary company | Country of incorporation | Activity | Direct and indirect ownership percentage % | | |
|--|--------------------------|-------------|--|------------------------|--------------------------|
| | | | 30 June 2012 (Unaudited) | 31 Dec. 2011 (Audited) | 30 June 2011 (Unaudited) |
| Tamdeen Investment Company – KSC (Closed) | Kuwait | Investment | 51.37 | 51.37 | 51.37 |
| Manshar Real Estate Company – KSC (Closed) | Kuwait | Real estate | 75.685 | 75.685 | 75.685 |
| Tamdeen Housing Company – KSC (Closed) | Kuwait | Real estate | 45.41 | 45.41 | 45.41 |
| Al Adiyat International Real Estate Company – KSC (Closed) * | Kuwait | Real estate | 97.75 | - | - |

* During the period, the parent company purchased the shareholdings amounting to 97.75% of one of its subsidiary companies [Tamdeen Investment Company – KSC (Closed)] in Al Adiyat International Real Estate Company – KSC (Closed). No profit or loss resulted from this transaction and Al Adiyat International Real Estate Company – KSC (Closed) became a direct subsidiary of the parent company with the same shareholdings.

3 Net income from investments

| | Three months ended | | Six months ended | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 30 June 2012 (Unaudited) KD'000 | 30 June 2011 (Unaudited) KD'000 | 30 June 2012 (Unaudited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
| Net profit from sale of available for sale investments | 2,166 | 1,129 | 2,162 | 1,174 |
| Unrealised loss from investments at fair value through profit or loss | (8) | - | (64) | (6) |
| Impairment in value of available for sale investments | - | (573) | (203) | (602) |
| Dividends income | 303 | - | 3,859 | 3,023 |
| Interest income | 11 | 9 | 35 | 49 |
| | 2,472 | 565 | 5,789 | 3,638 |

4 Earnings per share attributable to the owners of the parent company

| | Three months ended | | Six months ended | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 30 June 2012 (Unaudited) | 30 June 2011 (Unaudited) | 30 June 2012 (Unaudited) | 30 June 2011 (Unaudited) |
| Profit for the period attributable to the owners of the parent company (KD'000) | 1,342 | 1,375 | 3,559 | 3,094 |
| Weighted average number of outstanding shares (excluding treasury shares) (in thousand) | 370,712 | 371,107 | 370,712 | 370,910 |
| Earnings per share attributable to the owners of the parent company | 3.6 Fils | 3.7 Fils | 9.6 Fils | 8.3 Fils |

Notes to the interim condensed consolidated financial information (continued)

5 Available for sale investments

| | 30 June 2012 (Unaudited) KD'000 | 31 Dec. 2011 (Audited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
|---|--|--|--|
| Local managed portfolios and funds | 4,640 | 4,424 | 4,696 |
| Participations in unquoted local companies shares | 8,645 | 7,879 | 5,412 |
| Participations in capital of companies located outside Kuwait | 78,365 | 85,055 | 89,585 |
| | 91,650 | 97,358 | 99,693 |

Participations in capital of companies located outside Kuwait include investments of one of the consolidated subsidiary companies [Tamdeen Investment Co. – KSC (Closed)] that represent investments in quoted foreign financial markets. These participations include investments with a total fair value of KD65,312 thousand (KD75,879 thousand at 31 December 2011 and KD83,411 thousand at 30 June 2011) mortgaged against term loans (Note 10) and bank facilities (Note 11).

6 Investments in associated companies

This item includes the investments of the group in the following associated companies:

| Name of the company | Place of incorporation | Direct and indirect ownership percentage % | | |
|---|------------------------|--|------------------------------|--------------------------------|
| | | 30 June 2012 (Unaudited) | 31 Dec. 2011 (Audited) | 30 June 2011 (Unaudited) |
| Ajmal Holding Company - BSC | Bahrain | 29 | 29 | 29 |
| Tamdeen Holding Co. – KSC (Holding Closed)* | Kuwait | 51 | 43 | 43 |
| Fucom for Central Markets – KSC (Closed) | Kuwait | 25 | 25 | 25 |
| Beyoo Leasing & Financing Co. – KSC (Closed) | Kuwait | - | - | 21 |
| Tamdeen Shopping Centers Co. – KSC (Closed) | Kuwait | 30 | 30 | 30 |
| Tamdeen Franchises Holding Company – KSC (Holding Closed) | Kuwait | 30 | 30 | 30 |
| Tamdeen Resorts Company – WLL | Kuwait | 25 | 25 | 25 |
| Al-Maysam Trading Company – WLL | Kuwait | 46 | 46 | 46 |
| Gulf and Asia Holding Company – KSC (Holding Closed) | Kuwait | 10 | - | - |

As follows, the group's share in the net assets and profit for the period/year of the associated companies according to the latest financial statements available as at the date of the interim condensed consolidated statement of financial position:

| | 30 June 2012 (Unaudited) KD'000 | 31 Dec. 2011 (Audited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
|-----------------------------------|--|--|--|
| Assets | 121,166 | 121,329 | 133,316 |
| Liabilities | (44,332) | (50,265) | (56,625) |
| Net assets | 76,834 | 71,064 | 76,691 |
| Profit for the period/year | 2,588 | 1,328 | 1,792 |

Notes to the interim condensed consolidated financial information (continued)

6 Investments in associated companies (continued)

* During the period, one of the subsidiary companies of the group [Tamdeen Investment Company – KSC (Closed)] purchased from a related party an additional share of 15% in Tamdeen Holding Co. – KSC (Holding Closed) for an amount of KD3,915 thousand which was included in “Due from related parties” (Note 12), and thus the group’s share in this company became 51% (43% at 31 December 2011 and 30 June 2011).

7 Investment properties

The investment properties are represented in a local property of the subsidiary company [Manshar Real Estate Company – KSC (Closed)] with a value of KD49,750 thousand (KD49,750 thousand at 31 December 2011 and KD48,725 thousand at 30 June 2011) mortgaged for local banks against term loans (Note 10) and bank facilities (Note 11).

The fair value of the local investment properties is estimated by management after due review of the valuations received from an interdependent real estate office and by a local bank at the end of each financial year.

8 Projects in progress

| | 30 June 2012 (Unaudited) KD'000 | 31 Dec. 2011 (Audited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
|------------------------------|--|--|--|
| Cost | | | |
| At beginning of period/year | 5,044 | 4,130 | 4,130 |
| Additions | 1,428 | 963 | 485 |
| Disposals | - | (49) | (36) |
| At end of period/year | 6,472 | 5,044 | 4,579 |
| Impairment in value | | | |
| At beginning of period/year | 623 | 116 | 116 |
| Additions | - | 507 | 7 |
| At end of period/year | 623 | 623 | 123 |
| Net book value | | | |
| At end of period/year | 5,849 | 4,421 | 4,456 |

Notes to the interim condensed consolidated financial information (continued)

9 Accounts receivable and other debit balances

| | 30 June 2012 (Unaudited) KD'000 | 31 Dec. 2011 (Audited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
|---|--|--|--|
| Receivable from tenants | 1,733 | 1,810 | 2,004 |
| Staff receivable | 40 | 79 | 97 |
| Prepaid expenses | 623 | 319 | 378 |
| Due from related parties* | 8,181 | 9,081 | 10,951 |
| Accrued income | 339 | 76 | 56 |
| Due from sale of investments in lands and real estate held for trading* | 8,769 | 10,030 | 8,988 |
| Other debit balances | 941 | 1,339 | 1,964 |
| | 20,626 | 22,734 | 24,438 |
| Provision for doubtful debts | (1,260) | (1,417) | (1,413) |
| | 19,366 | 21,317 | 23,025 |

* The balances shown above are the amounts due as a result of sale transaction performed by the group for both related and third parties, for some of its real estate plots which have been invested in for trading purpose, where the group collected part of these balances during the period.

10 Term loans

The loans are due for repayment as follows:

| | 30 June 2012 (Unaudited) KD'000 | 31 Dec. 2011 (Audited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
|-----------------------------------|--|--|--|
| Within one year – current portion | 45,000 | 50,000 | 55,000 |
| From one to five years | 60,500 | 60,500 | 50,500 |
| | 105,500 | 110,500 | 105,500 |

All term loans are granted for the parent company and its subsidiaries by local banks. These loans are denominated in Kuwaiti Dinars with annual interest rate ranging between 2% to 2.5% (2% to 2.5% at 31 December 2011 and 2% to 3% at 30 June 2011) over the discount rate published by the Central Bank of Kuwait. The total amount of the instalments relating to the loans which are due to be repaid within twelve months from the date of the interim condensed consolidated statement of financial position is shown as a current liability.

The loans granted to the subsidiary companies are against the mortgage of shares included in investments with a fair value of KD65,312 thousand (KD75,879 thousand at 31 December 2011 and KD83,411 thousand at 30 June 2011) (Note 5) and mortgage of investment properties with value of KD49,750 thousand (KD49,750 thousand at 31 December 2011 and KD48,725 thousand at 30 June 2011) (Note 7), and mortgage of a land included in investments in lands and real estate held for trading with value of KD11,364 thousand (KD11,364 thousand 31 December 2011 and KD Nil at 30 June 2011).

Notes to the interim condensed consolidated financial information (continued)

11 Bank facilities

The bank facilities represent the balances of overdraft facilities which are granted to the group by local banks to finance the working capital and the real estate activities. They are repayable on demand with annual floating interest rate which is equal to the current interest rate in the market. The bank facilities are granted against the mortgage of investment properties (Note 7), and available for sale investments (Note 5) and investments in lands and real estate held for trading.

12 Accounts payable and other credit balances

| | 30 June 2012 (Unaudited) KD'000 | 31 Dec. 2011 (Audited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
|---------------------------------------|--|--|--|
| Retentions for executed works | 132 | 115 | 127 |
| Income received in advance | 776 | 653 | 418 |
| Accrued leave and expenses | 2,552 | 2,694 | 2,207 |
| Due to related parties (Note 6) | 3,852 | 111 | 751 |
| Uncollected dividends to shareholders | 925 | 749 | 874 |
| Other credit balances | 6,346 | 5,783 | 6,260 |
| | 14,583 | 10,105 | 10,637 |

13 Cash and cash equivalents

Cash and cash equivalents which are shown in the interim condensed consolidated statement of cash flows comprise of following:

| | 30 June 2012 (Unaudited) KD'000 | 31 Dec. 2011 (Audited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
|--|--|--|--|
| Cash and bank balances | 3,989 | 2,741 | 4,299 |
| Short-term deposits (mature within three months) | 3,646 | 5,313 | 5,647 |
| | 7,635 | 8,054 | 9,946 |

14 Segmental analysis

The trading activities of the parent company and its subsidiaries are principally carried out within the State of Kuwait. With the exception of some participations in capital of companies located outside Kuwait (Note 5), all of the group's assets and liabilities are located in Kuwait.

Notes to the interim condensed consolidated financial information (continued)

14 Segmental analysis (continued)

A segmental analysis of gross income, (loss)/profit for the period/year attributable to the owners of the parent company, total assets, total liabilities, non-controlling interests and net assets employed by activities is as follows:

| | Real estate KD'000 | Investment KD'000 | Total KD'000 |
|---|-----------------------|----------------------|-----------------|
| Period ended at 30 June 2012 (Unaudited) | | | |
| Gross income | 2,873 | 8,963 | 11,836 |
| (Loss)/profit for the period attributable to the owners of the parent company | (885) | 4,444 | 3,559 |
| Total assets | 80,609 | 188,973 | 269,582 |
| Total liabilities | (80,391) | (49,304) | (129,695) |
| Non-controlling interests | - | (44,374) | (44,374) |
| Net assets employed | 218 | 95,295 | 95,513 |
| Year ended at 31 December 2011 (Audited) | | | |
| Gross income | 8,021 | 9,538 | 17,559 |
| Profit for the year attributable to the owners of the parent company | 214 | 3,610 | 3,824 |
| Total assets | 79,712 | 190,978 | 270,690 |
| Total liabilities | (76,932) | (47,187) | (124,119) |
| Non-controlling interests | - | (46,953) | (46,953) |
| Net assets employed | 2,780 | 96,838 | 99,618 |
| Period ended at 30 June 2011 (Unaudited) | | | |
| Gross income | 3,534 | 7,223 | 10,757 |
| (Loss)/profit for the period attributable to the owners of the parent company | (499) | 3,593 | 3,094 |
| Total assets | 81,098 | 201,110 | 282,208 |
| Total liabilities | (77,350) | (53,099) | (130,449) |
| Non-controlling interests | - | (49,564) | (49,564) |
| Net assets employed | 3,748 | 98,447 | 102,195 |

15 Dividends

On 13 May 2012, the general assembly of shareholders approved the cash dividends of 8% or equivalent to 8 Kuwaiti Fils per share from the paid-up share capital totalling KD2,966 thousand to the shareholders registered at that date as per records for the year ended 31 December 2011 (cash dividends of 10% or equivalent to 10 Kuwaiti Fils per share from the paid-up share capital totalling KD3,707 thousand to the shareholders for the year ended 31 December 2010).

Notes to the interim condensed consolidated financial information (continued)

16 Related party transactions

Included in the transactions carried out by the group during the period, there are certain transactions with related parties within the normal activities of the group involving shareholders who are represented in the board of directors, in addition to other major shareholders. These transactions were incorporated in the interim condensed consolidated financial information as follows:

| | 30 June 2012 (Unaudited) KD'000 | 31 Dec. 2011 (Audited) KD'000 | 30 June 2011 (Unaudited) KD'000 |
|---|--|--|--|
| Interim condensed consolidated statement of financial position | | | |
| Accounts receivable and other debit balances | 8,181 | 9,081 | 10,951 |
| Accounts payable and other credit balances | 3,852 | 111 | 751 |
| Purchase of share in an associated company (Note 12) | 3,915 | - | - |
| Sale of investments in lands and real estate held for trading (Note 9) | - | 9,103 | 8,784 |
| Interim condensed consolidated statement of income | | | |
| Profit from sale of investments in lands and real estate held for trading | - | - | 1,407 |
| Management fees income and consultancies | 189 | 515 | 212 |
| Other income | - | 433 | - |
| General and administrative expenses (top management salaries and remunerations) | 265 | 546 | 226 |
| Operational expenses | 220 | 498 | 235 |
| Contra accounts - off interim condensed consolidated statement of financial position items | | | |
| Net book value of customers' portfolios (major shareholders) | 38,026 | 36,471 | 39,410 |

17 Commitments and contingent liabilities

At the date of the interim condensed consolidated statement of financial position, the Group had commitments against letters of guarantee issued in favour of third parties of KD2,129 thousand (KD2,129 thousand at 31 December 2011 and KD2,022 thousand at 30 June 2011).